

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 08/06/2012
POSITION: Neutral

BILL NUMBER: AB 1701
AUTHOR: Wieckowski, Bob
RELATED BILLS: AB 1566, AB 1701

BILL SUMMARY: Underground storage tanks: local agencies.

Existing federal and state law and regulations govern the storage of hazardous substances in Underground Storage Tanks (USTs) and require USTs used to store hazardous substances to meet certain requirements, including that the primary containment be product tight and that the tank's secondary containment meet specified standards.

This bill would authorize the State Water Resources Control Board (Water Board) to certify cities and counties to oversee the cleanup of USTs. The bill would require a city or county to apply to the Water Board for certification to implement the local UST cleanup programs. The bill would provide that only a certified city or county is authorized to implement a local UST oversight cleanup program after July 1, 2013, with a specified exception for any agreement entered into before January 1, 2013, between a regional board and a water district, as specified. Finally, the bill would require the Water Board to adopt procedures and criteria with specified components for certifying cities and counties.

FISCAL SUMMARY

The Water Board estimates it will need less than one full-time position to implement the oversight program at the state level and that these efforts will be absorbed within the current local oversight program contract process. The Department of Finance (Finance) assumes any costs from the bill to be minor and absorbable. Direct billing of responsible parties, the current local practice, will fund local enforcement by the state-certified local cities and counties.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the March 27, 2012, version are minor and do not alter our position. The bill has been amended to include language specifying that the bill provisions do not apply to any agreement entered into before January 1, 2013, between a regional board and a water district to oversee UST cleanup cases under a memorandum of understanding between the two parties. The bill also has been amended to double-join this bill to AB 1566 to avoid chaptering problems between the two bills.

COMMENTS

Finance is neutral on the bill because it would clarify conflicting sections of current law related to the definition of a "local agency" authorized to supervise leaking UST cleanup activities. There is confusion in existing law with the definition of "local agency" as it pertains to the authority to supervise the cleanup of petroleum products from leaking underground storage tank sites. This bill is intended to define which local agency is authorized to oversee corrective actions when underground storage tanks fail. Additionally, the bill is intended to increase regulatory consistency by providing more direct state oversight of local agencies.

Analyst (623) S. Montoya	Date	Program Budget Manager Karen Finn	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

AUTHOR

AMENDMENT DATE

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Wieckowski, Bob

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AB 1701

COMMENTS (continued)

The bill would authorize the Water Board to implement a certification process by adopting procedures and certification criteria for local agencies. The certification process will replace the existing contract requirements for local oversight program agencies and provide more consistent implementation of the underground storage tank cleanup program across all local oversight program and non-local oversight program agencies. The bill also would authorize the Water Board to review the ability of the city or county to carry out the UST oversight program at least once every three years and provide the Water Board authority to withdraw the certification under specified circumstances.

The bill is double-joined to AB 1566, both of which would amend Health and Safety Code section 25281 related to definitions of terms pertaining to underground storage of hazardous substances. Finally, the bill is related to AB 1715 (Smythe), which would require the Water Board to recommend to the Legislature standards and measurements for judging local agency compliance with UST cleanup standards which would be established if AB 1701 is approved and chaptered.

		(Fiscal Impact by Fiscal Year)						
Code/Department	SO	(Dollars in Thousands)						
Agency or Revenue	LA							
Type	CO	PROP					Fund	
	RV	98	FC	2012-2013	FC	2013-2014	FC	2014-2015
								Code
3940/SWRCB	SO	No		-----	No/Minor Fiscal Impact	-----		0439
<u>Fund Code</u>	<u>Title</u>							
0439	Underground Storage Tank Cleanup Fund							